State of California AIR RESOURCES BOARD

CALIFORNIA REGULATION AND CERTIFICATION PROCEDURES FOR LIGHT-DUTY ENGINE PACKAGES FOR USE IN NEW LIGHT-DUTY SPECIALLY-PRODUCED MOTOR VEHICLES FOR 2019 AND SUBSEQUENT MODEL YEARS

Resolution 18-45

October 25, 2018

Agenda Item No.: 18-8-3

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the California Air Resources Board (CARB or Board) to adopt standards, rules and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, section 43100 of the Health and Safety Code authorizes the Board to certify new motor vehicle engines pursuant to Article 1, Chapter 2, Part 5 of Division 26 of the Health and Safety Code;

WHEREAS, section 43101 of the Health and Safety Code authorizes the Board to adopt and implement emission standards for new motor vehicles or motor vehicle engines that the Board finds to be necessary and technologically feasible to carry out the purposes of Division 26 of the Health and Safety Code;

WHEREAS, section 43102 of the Health and Safety Code states that no new motor vehicle or new motor vehicle engine shall be certified by the Board unless the vehicle or engine meets the emission standards adopted by the Board pursuant to section 43101 of the Health and Safety Code under test procedures adopted by the Board pursuant to section 43104 of the Health and Safety Code;

WHEREAS, section 43104 of the Health and Safety Code authorizes the Board to adopt, by regulation, test procedures and any other procedures necessary to determine whether new motor vehicles or new motor vehicle engines are in compliance with emissions standards established pursuant to section 43101;

WHEREAS, staff has proposed California Regulation and Certification Procedures for Light-Duty Engine Packages for Use In New Light-Duty Specially-Produced Motor Vehicles for 2019 And Subsequent Model Years, as set forth in Appendices A and B to the Initial Statement of Reasons (ISOR) released to the public on September 4, 2018;

WHEREAS, a specially-produced motor vehicle (SPMV) resembles the body of a motor vehicle that had been commercially manufactured for sale not less than 25 years ago and is sold to the public, in limited quantities, as a new vehicle in a ready to use configuration:

WHEREAS, SPMV manufacturers currently have no legal way to certify a vehicle in California without undue burden:

WHEREAS, CARB staff has developed a proposed regulation under which engine manufacturers would be allowed to certify a light-duty engine package intended for use in an SPMV, complete with emissions control systems, on-board diagnostics system, installation instructions, and warranty;

WHEREAS, SPMV manufacturers would purchase and install a certified engine package into an SPMV, to qualify for an Executive Order which would enable them to sell the SPMVs to end users in California, subject to installation and parts warranty requirements;

WHEREAS, a certified engine package would meet current Low Emissions Vehicle (LEV II and III) exhaust and evaporative emissions standards set forth in California Code of Regulations (CCR), title 13, section 1961.1 for the model year of the certified engine package;

WHEREAS, the on-board diagnostic system included with the engine package must comply with CCR, title 13, section 1968.2 for the model year of the certified engine package with minor changes to the evaporative system leak monitoring;

WHEREAS, CARB's regulatory program that involves the adoption, approval, amendment, or repeal of standards, rules, regulations, or plans has been certified by the Secretary for Natural Resources under Public Resources Code section 21080.5 of the California Environmental Quality Act (CEQA; CCR, title 14, section 15251(d)), and CARB conducts its CEQA review according to this certified program (California Code of Regulations, title 17, sections 60000-60007);

WHEREAS, CARB prepared an environmental analysis under its certified regulatory program for the proposed regulation, and circulated it as part of the Staff Report for 45 days; the EA concluded there is no substantial evidence to support a fair argument that the proposed regulation will result in any significant adverse impacts on the environment;

WHEREAS, no comments were received during the 45-day comment period that raise significant environmental issues associated with the proposal and no approval of written responses to environmental comments is required under CCR, title 17, section 60007;

WHEREAS, a public hearing and other administrative proceedings have been held according to the provisions of Chapter 3.5 (commencing with section 11340), part 1, division 3, title 2 of the Government Code; and

WHEREAS, the Board finds that:

The proposed regulation and certification procedures were developed in an open public process, in consultation with affected parties, through numerous public workshops, individual meetings, and other outreach efforts, and these efforts are expected to continue;

No reasonable alternatives to the regulation and certification procedures considered to date, or that have otherwise been identified and brought to the attention of CARB, would be more effective at carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected entities than the proposed regulation;

The proposed regulation and certification procedures are consistent with CARB's environmental justice policies and do not disproportionately impact people of any race, culture, or income; and

Based on the Board's independent judgment and analysis, and on the basis of the whole record, including the environmental analysis included in the Staff Report, no substantial evidence exists to support a fair argument that the proposed regulation and certification procedures will result in any significant adverse impacts on the environment.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves for adoption sections 2209, 2209.1, 2209.2, 2209.3, 2209.4, 2209.5, 2209.6, 2209.7, 2209.8, 2209.9, and 2209.10, Title 13 CCR, as set forth in Attachment A.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to determine if additional conforming modifications to the regulation are appropriate. If no additional modifications are appropriate, the Executive Officer shall take final action to adopt the regulation, as set forth in Attachment A. If the Executive Officer determines that additional conforming modifications are appropriate, the modified regulatory language shall be made available for public comment, with any additional supporting documents and information. The Executive Officer shall consider written comments submitted during the public review period and make any further modifications that are appropriate available for public comment for at least 15 days. The Executive Officer may present the regulation to the Board for further consideration if warranted, and if not, the Executive Officer shall take final action to adopt the regulation after addressing all appropriate conforming modifications.

BE IT FURTHER RESOLVED that if there is a possibility that any modifications to the regulation made available for one or more 15 day public comment periods may affect the

conclusion of the environmental analysis, the Executive Officer shall prepare and circulate any additional environmental analysis to the extent required by CARB's regulations at California Code of Regulations, title 17, sections 60000-60007, and prepare written responses to any comments received raising significant environmental issues as necessary, to present to the Board for approval along with the final regulation.

BE IT FURTHER RESOLVED that the Board hereby determines that the regulations adopted herein will not cause California motor vehicle emission standards, in the aggregate, to be less protective of public health and welfare than applicable federal standards.

BE IT FURTHER RESOLVED that the Executive Officer shall, upon adoption, forward the regulations to the Environmental Protection Agency with a request for a waiver or confirmation that the regulations are within the scope of an existing waiver of federal preemption pursuant to section 209(b) of the Clean Air Act, as appropriate.

I hereby certify that the above is a true and correct copy of Resolution 18-45 as adopted by the California Air Resources Board.

Cristina Granados, Clerk of the Board

Resolution 18-45

October 25, 2018

Identification of Attachments to the Board Resolution

Attachment A*: Proposed Certification of Engine Packages for New Specially-

Produced Motor Vehicles sections 2209, 2209.1, 2209.2, 2209.3, 2209.4, 2209.5, 2209.6, 2209.7, 2209.8, 2209.9, and 2209.10, Title 13 California Code of Regulations, as set forth in Appendix A to the

Initial Statement of Reasons, released September 4, 2018.

Attachment B*: California Certification Procedures for Light-Duty Engine Packages

for Use in New Light-Duty Specially-Produced Motor Vehicles for 2019 and Subsequent Model Years, as set forth in Appendix B to the

Initial Statement of Reasons, released September 4, 2018.

^{*}Attachment A and B are <u>NOT</u> attached to the proposed resolution; they are simply described on this page.